

CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED

EIGHTEENTH
ANNUAL
REPORT
1927

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED



BOARD OF DIRECTORS

W. F. ANGUS, MONTREAL	V. M. DRURY, MONTREAL
HON. C. P. BEAUBIEN, SENATOR, MONTREAL	WM. MCMASTER, MONTREAL
H. W. BEAUCLERK, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
W. W. BUTLER, MONTREAL	HON. LORNE C. WEBSTER, SENATOR, MONTREAL
F. H. CLERGUE, MONTREAL	MARK WORKMAN, MONTREAL
HON. N. CURRY, SENATOR, MONTREAL	



OFFICERS

HON. N. CURRY, *Chairman of the Board*

W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	L. A. PETO, <i>Vice-President & Comptroller</i>
A. C. BOURNE, <i>Secretary</i>	J. B. BRODIE, <i>Treasurer</i>



SOLICITORS

WAINWRIGHT, ELDER & MCDUGALL, MONTREAL



BANKERS

BANK OF MONTREAL

THE ROYAL BANK OF CANADA



GENERAL OFFICES

307 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED



BOARD OF DIRECTORS

HON. C. P. BEAUBIEN	W. W. BUTLER	H. W. BEAUCLERK
W. F. ANGUS	HON. LORNE C. WEBSTER	V. M. DRURY

OFFICERS

	W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>		W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>		L. A. PETO, <i>Vice-President & Comptroller</i>
A. C. BOURNE, <i>Secretary</i>		J. B. BRODIE, <i>Treasurer</i>



THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN	W. W. BUTLER	H. W. BEAUCLERK
W. F. ANGUS		V. M. DRURY

OFFICERS

	W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>		W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>		L. A. PETO, <i>Vice-President & Comptroller</i>
A. C. BOURNE, <i>Secretary</i>		J. B. BRODIE, <i>Treasurer</i>



AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY	V. M. DRURY	W. W. BUTLER
F. H. CLERGUE		T. S. WYLLY, JR.

OFFICERS

HON. N. CURRY, <i>President</i>
W. W. BUTLER, <i>Vice-President</i>
L. A. PETO, <i>Vice-President</i>
A. C. BOURNE, <i>Secretary and Treasurer</i>

Canadian Car & Foundry Company, Limited
and Canadian Steel Foundries, Limited
and other Associated Companies



CONSOLIDATED STATEMENT OF SURPLUS AND
PROFITS, SEPTEMBER 30, 1927



Combined Profits for the Fiscal Year ending September 30, 1927.		\$1,332,887.25
LESS:		
Interest on Bonds Outstanding.....	\$315,478.71	
Interest on Negotiable Scrip.....	39,961.67	
	\$355,440.38	
Less: Interest Earned (Net).....	93,008.70	\$262,431.68
Profit for the Fiscal Year before providing for Depreciation.....		1,070,455.57
Surplus at September 30, 1926.....		2,190,209.05
		\$3,260,664.62
LESS:		
Provision for Depreciation.....	\$402,000.00	
Provision for Income Tax and General Pur- poses	50,000.00	452,000.00
		\$2,808,664.62
DEDUCT:		
Dividends declared, 7% on Preference Stock.....		\$525,000.00
SURPLUS carried forward September 30, 1927.....		<u>\$2,283,664.62</u>

CANADIAN CAR & FOUNDRY AND CANADIAN STEEL FOUNDRIES, LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

COST OF PROPERTIES:

Real Estate, Buildings, Machinery, Patents and Goodwill, as at September 30, 1926.....	\$23,263,193.57
Addition during Fiscal Year—Net.....	45,790.60
	\$23,308,984.17

GOVERNMENT BONDS:

Deposited with Montreal Trust Company towards redemption of the outstanding Bonds of the Montreal Steel Works Limited.....	100,000.00
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SCRIP REDEMPTION FUND INVESTMENT:

Balance of provision set aside annually for redemption of 6% Scrip (invested in Government Bonds)	583,463.50
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CURRENT ASSETS:

Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices..	2,000,972.43
Accounts Receivable (Less Reserve).....	837,569.66
Bonds and Other Securities (not above market values):	
Dominion of Canada Bonds... \$1,562,059.50	
Companies' Own Bonds..... 115,064.00	
Miscellaneous Investments.... 167,967.50	
	1,845,091.00
Cash in Bank.....	494,248.25
	5,177,881.34
DEFERRED CHARGES.....	84,117.42

\$29,254,446.43

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, for the year ending September 30, 1927, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1927, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

MONTREAL, November 24th, 1927.

PRICE, WATERHOUSE & CO.,

Auditors.

COMPANY, LIMITED

AND OTHER ASSOCIATED COMPANIES

SEPTEMBER 30, 1927

LIABILITIES

CAPITAL STOCK:

Preference: Seven per cent cumulative and participating:		
Authorized and Issued—75,000 Shares of \$100 each.....		\$7,500,000.00
Ordinary:		
Authorized—50,000 Shares of \$100 each.....	\$5,000,000.00	
Issued —49,750 Shares of \$100 each.....		4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited:

First Mortgage Thirty Year Six Per Cent Sinking Fund Gold Bonds, due 1939:		
Authorized and Issued.....	\$7,500,000.00	
LESS: Held in Treasury.....	\$1,225,000.00	
Redeemed by Sinking Fund..	2,959,397.96	
		4,184,397.96

3,315,602.04

CANADIAN STEEL FOUNDRIES, LIMITED:

First Mortgage Collateral Trust Bonds Six Per Cent, due 1936. (Authorized \$5,000,000).....		
	3,650,000.00	
LESS: Bonds held in escrow by Montreal Trust Company for redemption of Montreal Steel Works, Limited, Bonds.....		
	472,066.72	
	3,177,933.28	
LESS: Retired by Sinking Fund....	1,958,443.97	

1,219,489.31

First Mortgage Six Per Cent Gold Bonds, due 1940, of the Montreal Steel Works, Limited.....	471,000.00
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5,006,091.35

SEVEN YEAR SIX PER CENT NEGOTIABLE SCRIP, DUE DECEMBER 24, 1927. (Less amount held in Treasury).....

644,401.00

CURRENT LIABILITIES:

Demand Loans (secured).....	500,000.00
Accounts Payable and Payrolls.....	469,919.35
Interest Accrued.....	94,509.88
Dividend Payable October 10, 1927, 1¾% on Pref. Shares.....	131,250.00

1,195,679.23

RESERVES:

Depreciation Reserves.....	6,908,454.67
Special Reserve Fund.....	500,000.00
Operating and Miscellaneous Reserves.....	241,155.56

7,649,610.23

SURPLUS, as per attached statement.....

2,283,664.62

\$29,254,446.43

Note.—In an action for the payment of Commission on Munition Contracts, judgment has been given against the Company for \$312,000.00 and interest. An appeal has been taken in the case.

Approved on behalf of the Board:

W. W. BUTLER,
Director
F. H. CLERGUE,
Director.

L. A. PETO,
Vice-President and Comptroller.

EIGHTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30, 1927



To the Shareholders:

Your Directors submit herewith the Eighteenth Annual Report of your Company and of its subsidiaries, the Canadian Steel Foundries Limited, and The Pratt & Letchworth Company Limited, covering combined operations for the year ended September 30th, 1927.

The volume of business booked for your Car Plants during the year was somewhat larger than for the two preceding years.

Your Steel and Malleable Foundries' sales were in greater volume than for the preceding year and the results are considered satisfactory.

It should be of special interest that approximately 40% of your Companies' business was obtained from sources other than Railways.

The combined results after providing \$402,000 for depreciation show a net profit of \$668,455.57, subject to Income Tax, as compared with a corresponding figure of \$59,859.94 last year, or an improvement to the extent of \$608,595.63.

Sinking Fund payments during the year enabled the retirement of your Companies' bonds to the extent of \$472,687.98, whilst Government bonds amounting to \$100,000 were deposited with the Trust Company towards the redemption of the outstanding bonds of the Montreal Steel Works Limited. In addition to the foregoing, funds totalling \$243,750 were set aside towards the retirement of the seven year 6% Negotiable Scrip which matures December 24th, 1927.

The Working Capital of the Company is slightly reduced from the corresponding period of last year, the excess of current assets over current liabilities being \$3,982,202.11 as compared with \$4,177,426.36 a year ago. With the redemption of all scrip before the end of the present calendar year, future calls on the resources of your Company will be considerably reduced.

The improvement in general business conditions throughout the Dominion should be reflected by an increasing demand for your Companies' products.

Your various properties have been maintained in good condition throughout the year.

Your Directors are pleased to take this opportunity of expressing appreciation of the efficient services rendered by the Officers and Employees throughout the year.

For the Directors,

(Signed) W. W. BUTLER,
President.

November 24th, 1927.

P.S.—Since the preparation of this Report a judgment has been rendered by the Court against the Company, in a suit arising out of the shell contracts for the Imperial Russian Government in 1915. It was not considered necessary to make any addition to our Special Reserve Funds on account of this award, which amounts to \$312,723.46 with interest. This judgment is being appealed.

